

MASSACHUSETTS HOME IMPROVEMENT SAMPLE CONTRACT

This CONTRACT satisfies all basic requirements of the state’s Home Improvement Contractor Law (MGL c. 142A), but does not preclude parties from adding language to protect their specific interests. Seek legal advice if necessary. Before agreeing to any home improvement work on your residence you should obtain a free copy “A Consumer Guide to Home Improvement Contractor Law” by calling the Office of Consumer Affairs and Business Regulation’s Information Hotline at 617-973-8787.

Don't forget to include names of any salespersons involved and Contractor's Registration Number (on the first page of the contract)!

Every contract must include total amount agreed to be paid, a time schedule of payments and dollar amount of those payments - including finance charges.

The date of execution must be on the contract.

By law, this statement must appear on the front page of the contract in immediate proximity to the space provided for buyer's signature and must be in at least ten point bold type.

Homeowner Information

Name

Street Address (Not Post Office Box)

City/Town

State

Zip Code

Daytime Phone

Evening Phone

Mailing Address (If Different From Above)

Contractor Information

Company Name

Contractor/Owner Name

Business Street Address

City/Town

State

Zip Code

Business Phone

Federal Employer ID

Salesperson(s): Contractor Registration #: Exp. Date:

WORK TO BE PERFORMED AND MATERIALS TO BE USED

Contractor Agrees To Do The Following Work For Homeowner:
Describe in DETAIL the work to be completed.

Materials Expected To Be Used:
Provide a DETAILED description of materials to be used, specifying the type, brand, and grade of those materials.

The following schedule will be adhered to unless circumstances beyond the contractor's control arise:

Work Scheduled To Begin: / /

Expected Date Of Completion: / /

(Date Contractor will begin contracted work)(Date when contracted work will be substantially completed)

TOTAL CONTRACT PRICE AND PAYMENT SCHEDULE

The Contractor agrees to perform the work, furnish the material and labor specified above for the SUM of: \$ (*Include all finance charges in this amount*)

Payments will be made according to the following SCHEDULE:
\$ upon signing contract (*Not to exceed 1/3 of the total contract price OR the cost of special order items, whichever is greater*).

\$ by / / or upon completion of

\$ by / / or upon completion of -

\$ upon completion of the contract (*Law forbids demanding full payment until contract is completed to both parties' satisfaction*)

In order to meet the completion schedule, the following material/equipment must be special ordered before the contracted work begins (*Law requires that any deposit or down-payment required by the contractor before work begins may not exceed the greater of (a) one-third of the total contract price or (b) the actual cost of any special equipment or custom made material which must be special ordered in advance to meet the completion schedule*):
\$ to be paid for

DO NOT SIGN THIS CONTRACT IF THERE ARE ANY BLANK SPACES

Identical copies of the contract should go to the homeowner and the contractor.

Homeowner's Signature

Contractor's Signature

Date

Date

You may cancel this agreement if it has been signed by a party thereto at a place other than an address of the seller, which may be his main office or branch thereof, provided you notify the seller in writing at his main office or branch by ordinary mail posted, by telegram sent or by delivery, not later than midnight of the third business day following the signing of the agreement.
See attached notice of cancellation for an explanation of this right.

Full names, federal I.D. # (if applicable), and addresses (not PO boxes), of the parties must appear on the contract!

Contracts must include details of work to be performed and materials to be used!

Always include the dates work is to begin and end!

ALL CONTRACTS OVER \$1000 MUST BE IN WRITING!

Remember to abide by this important law!

Make sure to do the Math . . . It's the law!

This warning must appear directly above the space provided for signatures, in at least 10 point bold type.

The date of execution must appear on the contract and ALL parties must SIGN and receive a duplicate copy of the contract.

No work shall begin until both parties sign the contract and the owner has a copy of the contract.

Every contract *must* contain a clause informing the owner of their rights related to *permits* and the *Guaranty Fund*

REQUIRED PERMITS

The following building permits are required. It is the obligation of the contractor to secure such permits as the homeowner’s agent: *List any and all necessary construction-related permits.*

NOTE: Owners who secure their own permits or deal with unregistered contractors are *excluded from the Guaranty Fund* provisions of MGL c. 142A.

Is an EXPRESS WARRANTY being provided by the contractor? NO YES

All terms of the warranty must be attached to the contract

The law requires clear and conspicuous notice of *all warranties* on the owner’s rights.

Every contract must contain a clear and conspicuous notice of where inquiries about registered contractors and subcontractors should be directed.

NOTE: All home improvement contractors and subcontractors shall be registered and any inquiries about a contractor or subcontractor relating to a registration should be directed to:

Director, Home Improvement Contractor Registration

One Ashburton Place, Room 1301

Boston, MA 02108

617-727-8598

Unless otherwise noted within this document, the contract shall not imply that any lien or other security interest has been placed on the residence.

Every contract must state whether there is a lien or security interest on the residence as a result of the contract.

Consumers may initiate arbitration under the Home Improvement Contractor Law *whether or not* this clause is included the contract.

ARBITRATION

The contractor and the homeowner hereby mutually agree in advance that in the event the contractor has a dispute concerning this contract, the contractor may submit such dispute to a private arbitration service which has been approved by the Secretary of the Executive Office of Consumer Affairs and Business Regulations and the consumer shall be required to submit to such arbitration as provided in M.G.L. c.142A.

Contractor: _____ Homeowner: _____

Date: _____ Date: _____

NOTICE: THE SIGNATURES OF THE PARTIES ABOVE APPLY ONLY TO THE AGREEMENT OF THE PARTIES TO ALTERNATIVE DISPUTE SETTLEMENT INITIATED BY THE CONTRACTOR. THE OWNER MAY INITIATE ALTERNATIVE DISPUTE RESOLUTION EVEN WHERE THIS SECTION IS NOT SEPARATELY SIGNED BY THE PARTIES.

Contractors may initiate arbitration under the Home Improvement Contractor Law only if:
*This *optional* clause appears in the contract *and* it is signed and dated separately from any other part of the contract; or
*The consumer agrees to arbitration initiated by the Contractor.

The law requires these Acceleration of Payment rules be followed!

ACCELERATION OF PAYMENT

Homeowner's Financial Insecurity - A Contractor may not demand payments in advance of the dates specified on the payment schedule in cases where the homeowner deems him/herself to be financially insecure.

Contractor's Financial Insecurity - In instances where a contractor deems him/herself to be financially insecure, the contractor may require that the balance of funds not yet due be placed in a joint escrow account as a prerequisite to continuing the contracted work. Withdrawal from said account would require the signatures of both parties.

Don't forget to include this additional information!

THE CONTRACT MUST ALSO CONTAIN:

1) A **Complete Description** of any other documents which are part of the agreement;

2) A **List and Description** of other matters upon which the contractor and homeowner lawfully agree;

3) Any **Other Provisions** otherwise required by applicable laws of the Commonwealth.

Remember, the **Contract must be the Complete Agreement** between the contractor and the homeowner.

If you have general questions or need additional information about **The Home Improvement Contractor Law**, contact:

Consumer Information Hotline

Commonwealth of Massachusetts

Office of Consumer Affairs and Business Regulation

10 Park Plaza, Room 5170

Boston, MA 02116

617-973-8787

If you have questions about **Contractor Registration**, contact:

Director of Home Improvement Contractor Registration

Board of Building Regulations and Standards

One Ashburton Place, Room 1301

Boston, MA 02108

617-727-3200, x25205

Contracts must have TWO identical copies of this form attached to their contract.

NOTICE OF CANCELLATION

YOU MAY CANCEL THIS TRANSACTION, WITHOUT PENALTY OR OBLIGATION, WITHIN THREE BUSINESS DAYS FROM THE ABOVE DATE.

IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE, AND ANY NEGOTIABLE INSTRUMENTS EXECUTED BY YOU WILL BE RETURNED WITHIN TEN BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELLED.

IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER AT YOUR RESIDENCE, IN SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED, ANY GOODS DELIVERED TO YOU UNDER THIS CONTRACT OR SALE; OR YOU MAY, IF YOU WISH, COMPLY WITH THE INSTRUCTIONS OF THE SELLER REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE SELLER'S EXPENSE AND RISK.

IF YOU DO MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN TWENTY DAYS OF THE DATE OF CANCELLATION, YOU MAY RETAIN OR DESPOSE OF THE GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE THE GOODS AVAILABLE TO THE SELLER, OR IF YOU AGREE TO RETURN THE GOODS TO THE SELLER AND FAIL TO DO SO, THEN YOU REMAIN LIABLE FOR PERFORMANCE OF ALL OBLIGATIONS UNDER THE CONTRACT.

TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE, OR SEND A TELEGRAM TO [Name of Seller], AT [Address of Seller's Place of Business] NOT LATER THAN MIDNIGHT OF _____ (date).

I HEREBY CANCEL THIS TRANSACTION.

Date: _____ Buyer's Signature: _____

The Notice of Cancellation must be on separate sheets of paper and easily detachable so that it may be easily separated from the contract and returned to the contractor if a consumer chooses to cancel the contract.

The language of the Notice of Cancellation must be in ten point boldface type.

No work may begin until this time expires.